



**Health Services**  
LOS ANGELES COUNTY

Los Angeles County  
Board of Supervisors

March 16, 2006

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First District

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Second District

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**Michael D. Antonovich**  
Fifth District

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT  
(ALL DISTRICTS AFFECTED - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Acting Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual account for patients who received medical care at a County facility:

(1)	Account Numbers	H/UCLA - 6605121, 6619380	\$11,867
(2)	Account Numbers	MLK/D - 5160282 and other outpatient accounts	\$11,000
(3)	Account Number	H/UCLA - 5622735	\$6,500
(4)	Account Numbers	MLK/D - 5765469 and other outpatient accounts	\$4,646
(5)	Account Numbers	LAC+USC - 2815020, 2704381	\$4,500
(6)	Account Numbers	LAC+USC - 2485357 and other outpatient accounts	\$4,000
(7)	Account Number	LAC+USC - 9468609	\$1,500

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The compromise offers of settlement for patient accounts (1) to (6) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the legal settlements involved in these cases. The compromise offer of settlement for patient account (7) is recommended because the patient can not pay the full amount of charges based on his current financial status and this is the highest amount his relatives are willing to contribute to settle the account.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

**Bruce A. Chernof, MD**  
Acting Director and Chief Medical Officer

**John R. Cochran III**  
Chief Deputy Director

**William Loos, MD**  
Acting Senior Medical Officer

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213) 240-8101  
Fax: (213) 481-0503

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**Implementation of Strategic Plan Goals:**

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

**FISCAL IMPACT/FINANCING:**

This will expedite the County's recovery of revenue totaling approximately \$44,013.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are approximately divided into thirds – one third each to the plaintiff (patient), attorney, and lien holder(s), although the final result is always the product of negotiation. The County may therefore receive a higher or lower percentage depending on the circumstances of the case. Factors that affect the County's percentage include the number of other lien holders and the contractual agreement between the plaintiff and his or her lawyer.

The compromise of these accounts is not within the Acting Director's authority, so the Acting Director is requesting Board approval of these compromises.

**CONTRACTING PROCESS:**

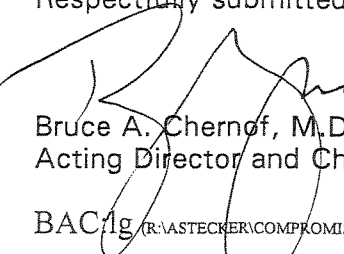
Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.  
Acting Director and Chief Medical Officer

BAC:lg (R:\ASTECHER\COMPROMISEBRDLTR#41\LETTER)

Attachments

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: March 16, 2006

<b>Total Charges</b>	\$32,675	<b>Account Numbers</b>	6605121, 6619380
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$32,675	<b>Date of Service</b>	11/29/2004-12/08/2004
<b>Compromise Amount Offered</b>	\$11,867	<b>% Of Charges</b>	36%
<b>Amount to be Written Off</b>	\$20,808	<b>Facility</b>	H/UCLA Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$32,675 for medical services rendered. The patient's third-party claim has been settled for \$25,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$8,333	\$7,800	31.2%
<b>Lawyer's Cost</b>	\$158	\$0	-
<b>H/UCLA Medical Center</b>	\$32,675	\$11,867	47.5%
<b>Other Lien Holders</b>	\$541	\$333	1.3%
<b>Patient</b>		\$5,000	20.0%
<b>Total</b>		\$25,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: March 16, 2006

<b>Total Charges</b>	\$31,404	<b>Account Numbers</b>	5160282 and other outpatient accounts
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient and Outpatient
<b>Balance Due</b>	\$31,404	<b>Date of Service</b>	2/28/2003 – 3/03/2003 and other dates of service
<b>Compromise Amount Offered</b>	\$11,000	<b>% Of Charges</b>	35%
<b>Amount to be Written Off</b>	\$20,404	<b>Facility</b>	MLK/D Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at MLK/D Medical Center and incurred total inpatient and outpatient charges of \$31,404 for medical services rendered. The patient's third-party claim has been settled for \$18,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$7,200	\$2,000	11%
<b>MLK/D Medical Center</b>	\$31,404	\$11,000	61%
<b>Patient</b>		\$5,000	28%
<b>Total</b>		\$18,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to MLK/D Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: March 16, 2006

<b>Total Charges</b>	\$27,672	<b>Account Numbers</b>	5622735
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$27,672	<b>Date of Service</b>	8/21/2003-8/25/2003
<b>Compromise Amount Offered</b>	\$6,500	<b>% Of Charges</b>	23%
<b>Amount to be Written Off</b>	\$21,172	<b>Facility</b>	H/UCLA Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$27,672 for medical services rendered. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$3,750	\$3,750	25%
<b>Harbor-UCLA Medical Center</b>	\$27,672	\$6,500	44%
<b>Other Lien Holders</b>	\$3,868	\$2,317	15%
<b>Patient</b>		\$2,433	16%
<b>Total</b>		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4  
DATE: March 16, 2006

<b>Total Charges</b>	\$191,179	<b>Account Numbers</b>	5763212, 5615469 and other outpatient accounts
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient and Outpatient
<b>Balance Due</b>	\$191,179	<b>Date of Service</b>	01/09/2004-1/20/2004, 05/05/04-5/11/04 and other dates of service
<b>Compromise Amount Offered</b>	\$4,646	<b>% Of Charges</b>	2.4%
<b>Amount to be Written Off</b>	\$186,533	<b>Facility</b>	MLK/D Medical Center

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at MLK/D Medical Center and incurred total inpatient and outpatient charges of \$191,179 for medical services rendered. The patient was approved for the Ability-to-Pay (ATP) program with a liability of \$1,396. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$5,000	\$5,000	33%
<b>Lawyer's Cost</b>	\$708	\$708	5%
<b>MLK/Drew Medical Center</b>	\$191,179	\$4,646	31%
<b>Patient</b>		\$4,646	31%
<b>Total</b>		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to MLK/D Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5  
DATE: March 16, 2006

<b>Total Charges</b>	\$30,410	<b>Account Numbers</b>	2815020, 2704381
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$30,410	<b>Date of Service</b>	04/10/2005-04/12/2005 05/06/2005-05/09/2005
<b>Compromise Amount Offered</b>	\$4,500	<b>% Of Charges</b>	15%
<b>Amount to be Written Off</b>	\$25,910	<b>Facility</b>	LAC+USC Medical Center

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$30,410 for medical services rendered. The patient did not complete the application for the Ability-to-Pay (ATP) program. The patient's third-party claim has been settled for \$12,500 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$5,000	\$3,000	24%
<b>Lawyer's Cost</b>	\$400	\$0	-
<b>LAC+USC Medical Center</b>	\$30,410	\$4,500	36%
<b>Patient</b>		\$5,000	40%
<b>Total</b>		\$12,500	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6  
DATE: March 16, 2006

<b>Total Charges</b>	\$124,040	<b>Account Numbers</b>	2485357 and outpatient accounts
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient and Outpatient
<b>Balance Due</b>	\$124,040	<b>Date of Service</b>	02/15/2005-05/04/2005
<b>Compromise Amount Offered</b>	\$4,000	<b>% Of Charges</b>	3%
<b>Amount to be Written Off</b>	\$120,040	<b>Facility</b>	LAC+USC Medical Center

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$124,040 for medical services rendered. The patient refused to apply for the Ability-to-Pay (ATP) program. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$5,000	\$5,000	33%
<b>LAC+USC Medical Center</b>	\$124,040	\$4,000	27%
<b>Other Lien Holders</b>	\$3,932	\$1,000	7%
<b>Patient</b>		\$5,000	33%
<b>Total</b>		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to LAC+USC Medical Center.



## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7  
DATE: March 16, 2006

<b>Total Charges</b>	\$134,571	<b>Account Number</b>	9468609
<b>Amount Paid</b> (By Patient's Insurance)	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$134,571	<b>Dates of Service</b>	07/13/2003-08/05/2003
<b>Compromise Amount Offered</b>	\$1,500	<b>% of Charges</b>	1%
<b>Amount to be Written Off</b>	\$133,071	<b>Facility</b>	LAC+USC Medical Center

### JUSTIFICATION

This patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$134,571 for medical services rendered. The patient's Disabled Aid Medi-Cal application was denied due to lack of cooperation. Based on financial information provided, it appears that patient does not have the financial means to pay the full cost of care. Due to the patient's unstable living situation, a family member (who is not financially responsible for the patient) has agreed to settle the account for \$1,500.